



JON M. HUNTSMAN, JR.
Governor
GARY R. HERBERT
Lieutenant Governor

State of Utah
DEPARTMENT OF NATURAL RESOURCES
Division of Oil, Gas & Mining

MICHAEL R. STYLER JOHN R. BAZA
Executive Director Division Director

September 8, 2005

Change to Certificate of Deposit Agreement Letter

CD #70028016 - \$15,500

Mammoth Ridge #1 Mine, S/017/048

Layne Cardon, Vice President
Bank of American Fork
712 East Main
Lehi, Utah 84043

Gary Burningham
Burningham Enterprises, Inc.
95 North 200 East
American Fork, Utah 84003

On July 18, 2005 and August 2, 2005, a CD Letter Agreement was signed by the Division of Oil, Gas and Mining, Burningham Enterprises, and Bank of American Fork (copy enclosed). The CD Letter Agreement incorrectly states this reclamation surety is being held for the benefit of DOGM and BLM. It has been discovered that the project is not on BLM lands.

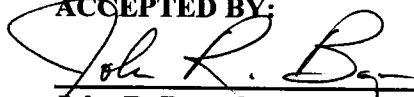
- This letter serves as an acknowledgment and acceptance of removal of BLM as dual beneficiary and is hereby incorporated as part of the State of Utah Division of Oil, Gas, and Mining CD Letter Agreement executed August 2, 2005.

Nothing herein contained shall vary, alter, or extend any provision or condition of the CD letter agreement except as herein stated.

Please acknowledge and return this letter with original signature to the Division in the enclosed envelope.

The below signed, acknowledges and accepts this beneficiary change removing the BLM from the CD Agreement Letter and incorporates it into the existing August 2, 2005 CD Agreement Letter.

ACCEPTED BY:



John R. Baza, Director
Division of Oil, Gas and Mining

9/8/05
Date

Gary Burningham, President
Burningham Enterprises, Inc.

Date

Layne Cardon, Vice President
Bank of American Fork, Lehi Branch

Date

O:\M017-Garfield\S0170048-MammothRidge1\final\addendumcdletter.doc

1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801
telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • www.ogm.utah.gov

Utah!
Where ideas connect™



JON M. HUNTSMAN, JR.
Governor
GARY R. HERBERT
Lieutenant Governor

State of Utah
DEPARTMENT OF NATURAL RESOURCES
Division of Oil, Gas & Mining

MICHAEL R. STYLER
Executive Director

JOHN R. BAZA
Division Director

June 8, 2005

Bank of American Fork
Lehi Utah Branch
712 East Main
Lehi, Utah 84043
(801) 766-1000

RECEIVED
JUL 20 2005
DIV OF OIL GAS & MINING

Attention: Layne Cardon, Vice President

Subject: Reclamation Surety, Certificate of Deposit for Burningham Enterprises, Mammoth Ridge #1
Mine Site, S/017/048, Garfield County, Utah
Certificate of Deposit no. _____, Principal Amount \$15,500.

This letter describes the mutually agreed upon instructions of the below signed parties to Bank of American Fork ("Bank"), regarding the control, redemption, and release of Bank's above-described certificate of deposit ("CD"), which is being used as a surety to guarantee the availability of reclamation funds for the Mammoth Ridge #1 mine site ("Mine Site"), Garfield County, Utah. It is the intention of the parties that the CD be utilized as surety to guarantee that \$15,500 in reclamation funds will be available to the State of Utah, Division of Oil, Gas & Mining ("Division") and the United States Department of Interior Bureau of Land Management ("USDOI - BLM") upon demand in the event that the operator(s) of the Mine Site are unable or unwilling to complete reclamation of the mine site in compliance with applicable state law and regulations.

Ownership and Renewal:

Ownership of the CD is retained by Burningham Enterprises, Inc., a Utah corporation, (Owners"), but it is held by Bank for the benefit of the State of Utah, Division of Oil, Gas & Mining and United States Department of Interior Bureau of Land Management ("USDOI - BLM") and is subject to the terms and conditions described in this agreement. The CD shall automatically renew indefinitely until either

redeemed or released by both the Director of the Division and the authorized officer of USDOJ – BLM.

Redemption:

The CD may only be redeemed (i.e., called on demand), pursuant to the written instruction or demand of both the Director of the Utah Division of Oil, Gas & Mining and the authorized officer of USDOJ- BLM to the Bank. Upon the instruction and demand of the Director and authorized officer of USDOJ - BLM, the full initial amount of the CD shall be transferred to the State of Utah, Division of Oil, Gas and Mining.

Owners agree and irrevocably instruct Bank that neither the Owner(s), nor any other person claiming an ownership interest in the CD which is derived from the Owners, shall have the authority to prevent the Bank from carrying out the Director's instruction to redeem the CD. Upon redemption, any accrued interest in excess of the initial amount of the CD shall be transferred to Owners' control, or if Owners do not instruct the Bank, the accrued interest shall be reinvested in the CD. If a signature card is prepared, it shall be drafted consistent with the requirement that only the Director of the Division and the authorized officer of USDOJ – BLM may redeem the CD.

Release:

The bank shall release the CD only upon the written instruction of both the Director of the Division and the authorized officer of USDOJ - BLM to the Bank. Upon release, the terms and conditions of this agreement are no longer in effect, and the unconditioned control of the CD shall be returned to the Owners, or their legal successors-in-interest.

Accrued Interest:

Prior to release or redemption, all interest which accrues by the CD shall be 1) dispersed quarterly to the Owner(s) as the Owner(s) may instruct the Bank, or 2) shall be reinvested in the CD until such time the Owner(s) may instruct the Bank where to transfer such interest. In no event shall the Bank transfer any amount from the CD which would cause the redemption amount of the CD to be less than the initial amount, \$15,500. All tax liabilities for accrued interest shall remain the sole responsibility of the Owners.

Bank will not be held liable for any dispute between the parties.

